

# **Minutes Of The Board Of Trustees City Of Cincinnati Retirement System September 5, 2003**

The Chairperson called the meeting to order at 1:30 p.m. with the following members present:

John Bowling  
Joe Harrison  
Valerie Lemmie, City Manager  
William Moller, Secretary  
Brian Pickering  
Michael Rachford  
V. Daniel Radford, Chairperson  
Ely Ryder  
Edwin Volpe

Member/s Absent:  
Minette Cooper (Proxy for Mayor Luken)  
John Cranley

The first order of business was the appointments by Mr. Radford of Mr. Volpe to the Investment Committee and Mr. Pickering to the Benefits Committee. They will replace Mrs. Harrison on these committees as her term as a board member expired in August 2003. Mr. Radford also appointed Mr. Harrison to replace Mrs. Harrison as Chairperson of the Benefits Committee. Mr. Volpe, Mr. Pickering, and Mr. Harrison all agreed to accept the new appointments made by the Chairperson.

Mr. Radford called for as motion to approve the minutes from the August 7, 2003 Board meeting. The motion was made by Mr. Rachford, seconded by Mr. Moller, and carried by the Board. The minutes were approved as prepared by the Secretary

## **BENEFITS COMMITTEE**

Mr. Harrison reported that the Benefits Committee met on September 5, 2003 at 1:00 p.m. in Committee Room B. Mr. Harrison gave the following report.

1. Application for Ordinary Retirement September 1, 2003: Total – 17

<b>No.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
37001	Edward Kesterman	MSD
38457	Gregory Costello	MSD
38841	Charles Montag	MSD
39870	Christine Hayner	University of Cincinnati
39884	Michael Brown	Health
39912	David Trader	Purchasing
39926	James Goss	MSD
39924	LeRoy Boone	MSD
39941	Michelle Pierson	University of Cincinnati
39964	Lois Reece	Police
40944	Linda Bray	Community Development
43697	John Waymeyer	Water Works
43701	Fred Orth	Community Development
44074	Tina Walters	MSD
48960	Cheryl Miley	Fire
50051	Thomas Bohannon	Recreation
50055	Gerald Cave	Water Works

2. Application for Retired Members Death: Total - 5

3. Application for Disability Retirements: Total - 1

<b>NO.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
42595	Rebecca Toebbe	Police

4. Application for Deferred Retirement: Total – 1

<b>NO.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
31528	Shannon McFarland	University of Cincinnati

5. Application for Ordinary Death Benefit: Total – 1

<b>NO.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
61914	Marilyn Glover	Recreation

Mr. Harrison also reported that the Benefits Committee is attempting to set up a special meeting in the next few weeks in order to hold further discussion on a few pending issues. The issues include, the review of the survivor benefits package as well as some prior service issues for a few active members.

Mr. Harrison made a motion to approve the Benefits Committee report; Mr. Rachford seconded the motion and the motion passed unanimously by the Board.

## **INVESTMENT COMMITTEE**

Mr. Moller commented that the Board Retreat which was held at the University of Cincinnati's Kingsgate Conference Center replaced the regular Investment Committee meeting that would have been held on August 8, 2003. At this retreat, the consulting firms conducting the asset/liability study (PCA Investment Consulting and EFI Actuaries) presented a comprehensive overview of the financial condition of the Cincinnati Retirement System.

Mr. Moller distributed a memo (see attachment A) regarding four action items identified during the Board retreat. One of the action items was to expand the actuarial model developed by EFI Actuaries to help explore the sensitivities of the System's financial status to changes in the actuarial and economic assumptions. Mr. Moller said the incremental cost of expanding the model would be \$25,000. Mr. Radford commented that the Board should be in a position to make changes to these assumptions so they can determine the potential impacts to various types of "what-if" scenarios, and that the ability to do this is well worth the additional cost. Ms. Lemmie moved that the Board approve the spending on an additional \$25,000 to enhance the actuarial model developed by EFI actuaries. Mr. Ryder seconded the motion, and the motion passed unanimously.

## **SECRETARY'S REPORT**

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 54
2. Resolution for Return of Contributions – Total: 22 Amount: \$49,631.01
3. Resolution for Loans to Members – Total: 54 Amount: \$516,879.94
4. Report on Deaths of Pensioned Members – Total: 15
5. Report on Military Service Credit prior to Membership – Total: 5

The Secretary submitted the following vouchers for payment:

<b>PAYEE</b>	<b>AMOUNT</b>
Levi, Ray & Shoup, Inc. – Software maintenance for Pension Gold	\$122,725.00
Dell Marketing LP – Software Systems for Retirement Office	\$14,698.00
Mercer Human Resource Consulting – Professional Services Rendered	\$1,107.00
Mae Consulting Inc. – Professional Services Rendered	\$7,740.00
Business Information Solutions Inc. – Storage of CRS files	\$66.94
City of Cincinnati – Dept of Finance – 1 <sup>st</sup> Qtr. 2003 Cinsy Billing	\$22,643.40
City of Cincinnati – Dept of General Services – Telephone Services	\$363.81
Ely Ryder – Reimbursement for Conference Expenses – July 20-25, 2003 Boston MA	\$1,997.40
Advanced Transitions Inc. – Billing for Return to Work Program Evaluations	\$2,411.50

Paul T. Hogya, MD – Charges for Disability Examinations	\$675.00
ABS Business Products, Inc. – Monthly Rental Rate for copier	\$238.50
All Star Personnel Inc. – Temporary Personnel Services	\$105.91
City of Cincinnati – Division of Stores – Billing for Stores Items for July 2003	\$237.40
City of Cincinnati – Printing Services – Billing for Postage & Printing Services for July 2003	\$305.99
Marriott Kingsgate – Retreat Luncheon for Board of Trustees	\$1,726.25
IFEBP 49 <sup>th</sup> Annual Conference – For Joe Harrison, November 7-12, 2003 San Diego, CA	\$1,617.00

The Secretary reported that at the close of business, August 31, 2003, there was in the Treasury, to the credit of the Retirement System \$1,689,391.08.

Mr. Moller informed the Board that the financial reports for the month of July were not yet available due to the transition of custodian banks from Northern Trust to Fifth-Third Bank/Bank of New York. Mr. Moller did report that the asset levels of the System had increased to \$2.16 billion, and that after the rebalancing of \$56.5 million from domestic equities to fixed income, the asset allocations are now within the target ranges.

### **PENDING BUSINESS**

#### **Custodial Bank Transition**

Mr. Fink reported that the transition of custodial banks from Northern Trust to Fifth-Third Bank/Bank of New York took place on July 1, 2003.

#### **Asset/Liability Study:**

Mr. Fink also commented that there is no additional information to report on the asset/liability study since the presentation that was made at the August 8<sup>th</sup> Board retreat. Mr. Radford commented that he thought the board retreat went very well, and the detailed review of the financial condition of the System was a very beneficial exercise. Ms. Lemmie commented that the presentation brought forth some troubling financial issues, and that the Board will have some difficult issues to deal with as they try to maintain the strong financial condition of the System.

**Corporate Governance:** Mr. Fink stated that Ohio PERS has hired a person (Cynthia Richson) with an extensive background in corporate governance to work on governance policies. Mr. Fink intends to contact her so we can work with Ohio PERS as well as the other Ohio public pension plans on corporate governance issues.

### **NEW BUSINESS**

#### **Direct Deposit Statements**

Mr. Volpe commented that he has concerns regarding the amount of information included on the monthly direct deposit statements mailed to retirees. Mr. Volpe pointed out that these statements include social security numbers, addresses, and bank account numbers. This type of information, especially the social security number, could lead to cases of

identity theft. Mr. Giles reported that there are already plans to remove the social security number from the direct deposit statement. Ms. Lemmie then suggested that the retirement staff contact the Police Division to get advice on identity theft and the type of information that should not be included on these types of documents. Mr. Ryder made suggestion that only the last 4 digits of the members account number and/or Social Security numbers should be indicated on the direct deposit receipts.

#### Proxy Designation

Mr. Moller distributed a memo that informs the Board he has appointed Pam Sacherman as his proxy to the Retirement Board.

#### Financial Statements

As requested at a previous Board meeting, Mr. Fink had copies of the audited financial reports available for all Board members

### **ADJOURNMENT**

Upon request of Mr. Radford for a motion to adjourn, the motion was made by Mr. Moller, seconded by Mr. Rachford and carried. The meeting adjourned at 2:05 p.m.

